

STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

Cause DOG-4-2010

IN RE: **WILLIAMS, MARVIN D1-17HDS POOLED UNIT**

PETITION OF ATLAS ENERGY INDIANA, LLC, FOR THE INTEGRATION OF INTERESTS LOCATED IN SECTION 20, TOWNSHIP 5 NORTH, RANGE 8 WEST, KNOX COUNTY, INDIANA

PETITION FOR INTEGRATION OF INTERESTS

COMES NOW, Atlas Energy Indiana, LLC, of 10691 East Carter Road, Traverse City, Michigan 49684 ("Petitioner"), by attorney Karen J. Anspaugh, and pursuant to IC 14-37-9-1 and other applicable laws enacted by the State of Indiana to prevent waste and to avoid the drilling of unnecessary wells, respectfully petitions the Department of Natural Resources, Division of Oil and Gas ("Division"), to require the integration of all interests in the oil, gas and associated hydrocarbons and to develop a single unit.

In support thereof, Petitioner states as follows:

1. Petitioner intends to seek a permit from the Division to approve the **WILLIAMS, MARVIN D1-17HDS POOLED UNIT**, comprised of the West Half of Section 20, Town 5 North, Range 8 West, Knox County, Indiana, containing 309.4794 acres, more or less ("Established Pooled Unit"). Said Established Pooled Unit is in an area comprised of Sections established by the Official United States Public Lands Survey by the rectangular surveying system for the State of Indiana, and Locations that overlap the standard Sections. The reference herein to land located in Section 20, Township 5 North, Range 8 West, is based upon extension of the visible boundaries of that part of Section 20 that is not overlain by Locations.
2. The unleased parcel subject to this Petition is labeled herein as Tract 7, containing 2.485 acres, more or less ("Separately Owned Interest"). A 50% interest in Tract 7 is under lease to Atlas Energy Indiana, LLC; however, a 50% interest remains unleased. The leased parcels located in the Pooled Unit ("Leased Parcels") together contain 306.9944 acres.
3. The Separately Owned Interest is owned by the following party ("Non-Consenting Owner"):

Edward Tryon
3232 West 100th Street, Apt #1
New York, New York 10025

JUN 25 2010

4. The following described exhibits are attached to this Petition and are incorporated herein:

Exhibit A-1: Legal Description of Separately Owned Interest

Exhibit A-2: Legal Description of Leased Parcels

Exhibit B: Map of the Pooled Unit

Exhibit C: Oil and Gas Lease Form Utilized in Project Area

Exhibit D: Division of Gas Ownership Interest Spreadsheet

Exhibit E: Contact Report Summarizing Lease Attempts

5. Exhibit A-1 sets out the legal descriptions pertaining to the Separately Owned Interest and Exhibit A-2 sets out the legal descriptions pertaining to the Leased Parcels.
6. Exhibit B is a map that depicts the Separately Owned Interest, the Leased Parcels and the Pooled Unit. The well path is presently undetermined and no well has been drilled.
7. Petitioner owns valid and operative Oil and Gas Leases ("Operative Leases") covering all of the oil, gas and associated hydrocarbons underlying the Leased Parcels. Exhibit C is a sample Oil and Gas Lease form utilized by Petitioner in the project area.
8. Petitioner intends to drill a Geologic or Structure Test Well on the Established Pooled unit, being a single horizontal well into the New Albany Shale, which is anticipated to produce natural gas and the constituents thereof.
9. Natural gas and associated hydrocarbons are reasonably believed to underlie the Pooled Unit. It is also a reasonable belief that natural gas and associated hydrocarbons can be economically produced by drilling and operating a well.
10. The Separately Owned Interest is situated so as to constitute an integral and necessary part of the Established Pooled unit as described in 312 IAC 16-5-3(c).
11. The Operative Leases contain terms which are standard in the industry and commonly utilized in the project area, including a royalty rate of one-eighth (1/8th) and a primary term of five (5) years. Landowners in the general vicinity of the Pooled Unit are customarily compensated with a lease-signing bonus between twenty dollars (\$20.00) and thirty-five dollars (\$35.00) per acre.
12. The Operative Leases contain a pooling clause granting Petitioner the right and power to pool or combine the acreage covered thereby with other lands for the production of oil, gas and other hydrocarbons.
13. The Operative Leases contain terms giving the owner of each tract of land therein an equitable share of the net production of oil, gas and other hydrocarbons in the communitized unit over and above that which may be used or consumed for production or development purposes. Said net production share is based upon the ratio between tract acreage and the total acreage of the communitized unit. Production allocation shall be disbursed as if said production was generated from a well drilled on that tract.

14. The terms contained in the pooling clause of the Operative Leases provide the most just, reasonable and equitable method for sharing the production of oil, gas and other hydrocarbons from the Pooled Unit, to wit:

Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Land, whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided and except that in calculating the amount of any shut-in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to the production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessor's acreage hereunder which is placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit.

15. Exhibit D sets out ownership information pertaining to both the Separately Owned Interest and the Leased Parcels.
16. Petitioner has repeatedly contacted the owner of the Separately Owned Interest and has diligently attempted to obtain an Oil and Gas Lease or consent to voluntarily integrate their interest with the Leased Parcels. Exhibit E is a Contact Report that summarizes said attempts.
17. Petitioner now desires to exercise its rights granted under the pooling clause contained in the Operative Leases, to explore for natural gas and associated hydrocarbons thereunder. Petitioner is being prevented from doing so by the existence of the Separately Owned Interest.
18. Petitioner is prepared to pay all costs associated with the drilling and abandonment of the well in the event the same is found to be a dry hole.
19. No surface structures or facilities will be placed on the Pooled Unit as the surface location for the well is a dual well pad located outside the perimeter of the Pooled Unit.
20. Petitioner has executed an "Authority for Expenditure" that details the costs associated with drilling and operation of the well. The Authority for Expenditure will be provided to Division with this Petition. Division is authorized by Petitioner to provide a copy to all persons desiring to participate in the costs of drilling and operation of the well.
21. If Division does not require the integration of the Separately Owned Interest in the Established Pooled unit, the natural gas and associated hydrocarbons thereunder cannot be economically and efficiently extracted, correlative rights cannot be protected and waste and the drilling of unnecessary wells will occur.


22. Division has the right and power, pursuant to the provisions of IC 14-37-9-1 et seq., to require such integration "upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool."

WHEREFORE, Petitioner respectfully moves Division, after any such notice and hearing as may be required by law, to issue an "Order for the Integration of Interests" to effectuate the following:

1. Integrate the Separately Owned Interest with the Leased Parcels as one of the following:
 - A) Royalty Owner: The rights and responsibilities of both the Royalty Owner and the Petitioner would be governed by the terms and conditions set out in the Operative Leases.
 - B) Participating Owner: The rights and responsibilities of both the Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Participating Owner pay their share of the estimated costs of drilling and production and receive their proportionate share of production.
 - C) Limited Participating Owner: The rights and responsibilities of both the Limited Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Limited Participating Owner:
 - o Pay their share of the costs of drilling and production on a limited or carried basis
 - o Have the same responsibilities as a Participating Owner, except that the costs of drilling and production would not include up front costs
 - o Receive no compensation from the Petitioner until the Petitioner has, through the sale of the Limited Participating Owner's share of production, recovered the proportional share of the costs of drilling, producing and operating the well, together with reasonable compensation for carrying the risk of a dry hole
 - o Thereafter, receive a proportionate share of production and be treated as a Participating Owner.
2. Designate Petitioner as the operator of the Established Pooled unit for the development and operation thereof; and
3. Implement any further terms and provisions in accordance with the law of the State of Indiana that Division may, in its discretion, deem desirable and proper.

Respectfully submitted,

Atlas Energy Indiana, LLC

By:  _____

Karen J. Anspaugh #18975-49

Post Office Box 4212

Traverse City, Michigan 49685

231-228-2218

Attorney for Petitioner

Date: 6/24/10

For Notification:

Atlas Energy Indiana, LLC

Attn: Paul A. Domagalski

10691 East Carter Road

Traverse City, Michigan 49684

EXHIBIT A-1
Legal Description of Separately Owned Interest

If instruments of record specify the amount of acreage contained in a parcel, the documented amount remains as a part of the following descriptions. If instruments of record do not specify the amount of acreage contained in a parcel, causing the Petitioner to calculate the same, the calculated amount is placed in brackets after the description.

The notations in brackets that identify the parcel described or the parcel being excepted from the description do not appear in the instruments of record.

TRACT 7

Part of Location #117 and part of Section 19, in Township 5 North, Range 8 West, and part of Lot #4 in Section 24, Township 5 North, Range 9 West, described as follows:

Beginning 9 chains [594 feet] North $51\frac{1}{4}$ degrees East from the South corner of said Location; thence North $51\frac{1}{4}$ degrees East 42.50 chains [2,805 feet]; thence North $38\frac{3}{4}$ degrees West 55.18 chains [3,641.88 feet] to the Northwest line of said Location; thence South $51\frac{1}{4}$ degrees West 21.47 chains [1,417.02 feet] to the East line of Lot #3 of the said Section 19; thence North 34.90 chains [2,303.4 feet] to a stone, the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 19; thence West 21.40 chains [1,412.4 feet]; thence South 20.13 chains [1,328.58 feet]; thence West 21.05 chains [1,389.3 feet] to an iron pin on the East line of said Lot #4; thence North 13.54 chains [893.64 feet]; thence West 10.14 chains [669.24 feet]; thence South 13.93 chains [919.38 feet]; thence South $88\frac{1}{2}$ degrees East 10.14 chains [669.24 feet] to an iron pin; thence South $88\frac{3}{4}$ degrees East 19.26 chains [1,271.16 feet] to a post; thence South 67 degrees 29 minutes East 8.15 chains [537.9 feet] to a post; thence South 46 degrees and 16 minutes West 4.88 chains [322.08 feet]; thence South 43 degrees East 11.81 chains [779.46 feet], to a post; thence North $46\frac{3}{4}$ degrees East 93 links [61.38 feet] to an iron pin; thence South 41 degrees 10 minutes East 29.41 chains [1,941.06 feet] to a post; thence South 51 degrees 42 minutes West 17.30 chains [1,141.8 feet] to an iron pin; thence South 38 degrees 48 minutes East 7.49 chains [494.34 feet]; thence North 50 degrees 31 minutes East 5.51 chains [363.66 feet] to an iron pin; thence South 36 degrees 5 minutes East along branch 23.61 chains [1,558.26 feet] to the place of beginning. Containing 290.64 acres.

EXCEPTING THEREROM a tract of land sold to Edward Brocksmith by Deed dated August 21, 1915, and recorded in Deed Record 55, Page 197, in the Recorder's office of Knox County, Indiana, described as follows:

Part of the West One-Half Section 19, Township 5 North, Range 8 West, described as follows:

Beginning at a stone the center of the Northwest Quarter of said Section; thence East 21.40 chains [1,412.4 feet] to the East line of said West One-Half; thence South 20.16 chains [1,330.56 feet] to the center of ditch; thence down the said ditch South 89 degrees 26 minutes

West 21.40 chains [1,412.4 feet]; thence North 20.36 chains [1,343.76 feet] to place of beginning, containing 43.50 acres.

ALSO EXCEPTING THEREFROM a tract of land sold to Edward Brocksmith by Deed dated December 24, 1919, and recorded in Deed Record 64, Page 1, in the Recorder's office of Knox County, Indiana, described as follows:

Part of Location #117 in Town 5 North, Range 8 West, described as follows:

Beginning at a stake on the Northwest line of said Location, 4-55/100 chains [300.3 feet] South 51 degrees 15 minutes West of where said line intersects the East line of Lot #2, Fractional Section 19, said Town and Range; thence South 39 degrees East 2-54/100 chains [167.64 feet] to a stake; White Oak 12 I.D. South 88 degrees East 10 links [6.6 feet]; thence North 87 degrees 55 minutes West 3-88/100 chains [256.08 feet] to a stake on the Northwest line of said Location Mulberry 8 I.D. South 89 degrees West 26 links [17.16 feet]; thence with said Northwest line North 51 degrees 15 minutes East 2-97/100 chains [196.02 feet] to the beginning containing 37/100 of an acre.

ALSO EXCEPTING THEREFROM a tract of land conveyed to Rolla M. Tryon Jr., by a Deed dated July 12, 1958, and recorded on Deed Record 145, Page 315, on August 4, 1958, described as follows:

Part of Lot #3 and Lot #4 Fractional Section 19 in Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at a point 83 links [54.78 feet] South of and 19.26 chains [1,271.16 feet] South 88 degrees 45 minutes East of the Northwest corner of said Lot #4 (same being the Quarter corner on the West line of said Section 19); thence South 88 degrees 45 minutes East 7.54 chains [497.64 feet]; thence South 0 degrees 19 minutes West 2.97 chains [196.02 feet] to a 3/8 inch by 1 inch iron bar, an old corner; thence North 67 degrees 24 minutes West 8.15 chains [537.9 feet] to the beginning, containing 1.12 acres.

ALSO EXCEPTING THEREFROM a tract of land also conveyed to Rolla M. Tryon, Jr. in the same Deed as described above, described as follows:

Part of Lot #3 of Fractional Section 19, Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at a 3/8 inch by 1 inch iron bar, an old corner, in said Lot #4 which is 4.43 chains [292.38 feet] South of and 5.75 chains [379.5 feet] South 88 degrees 45 minutes East of the Northwest corner of said Lot #3; thence South 0 degrees 19 minutes West 7.74 chains [510.84 feet] to an iron fence post; thence North 38 degrees 45 minutes West 5.19 chains [342.54 feet] to an old corner in field; thence North 41 degrees 29 minutes East 4.95 chains [326.7 feet] to the beginning, containing 1.26 acres.

ALSO EXCEPTING THEREFROM part of Lot #4 in Section 24, Township 5 North, Range 9 West, described as follows:

Beginning at the Northeast corner of said Lot #4; thence South, along the East line of said Lot #4, 14.20 chains [937.2 feet]; thence North 88½ degrees West 10.14 chains [669.24 feet]; thence North 13.93 chains [919.38 feet]; thence East 10.14 chains [669.24 feet] to the place of beginning, containing 14.26 acres.

AND ALSO INCLUDING part of Lot #2, Fractional Section 19, Town 5 North, Range 8 West, described as follows:

Beginning at a stake the Southwest corner of said Lot; thence with the West line of said Lot North 2-81/100 chains [185.46 feet] to a stake; thence South 75 degrees 50 minutes East 2-73/100 chains [180.18 feet] to a stake on the Northwest line of Location #117, said Town and Range Water Oak 36 feet South 51 degrees West 16 links [10.56 feet]; thence with said line South 51 degrees 15 minutes West 3.40 chains [224.4 feet] to the beginning, containing 37/100 of an acre.

AND ALSO INCLUDING part of the West Half of the East Half of Fractional Section 19 and part of Location #117, all in Township 5 North, Range 8 West, described as follows:

Beginning 0.95 chains [62.7 feet] North of the center of said Section 19; thence North 89 degrees 25 minutes East 18.70 chains [1,234.2 feet] to a 30 inch Oak; thence South 1-1/2 degrees West 2.75 chains [181.5 feet] to a 30 inch B. Oak; thence South 80 degrees West 3.80 chains [250.8 feet] to a stake on the Location line; thence South 51¼ degrees West on Location line 15.41 chains [1,017.06 feet]; thence North 68 degrees West 2.74 chains [180.84 feet] to a post; thence North 12.71 chains [838.86 feet] to the beginning, containing 14.42 acres.

AND ALSO INCLUDING a tract of land conveyed to the Trustee by Warranty Deed of Rolla M. Tryon Jr., dated July 12, 1958, and recorded in Deed Record 145, Page 314, on August 4, 1958, described as follows:

Part of Location #117 and part of Lot #3 Fractional, Section 19 in Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at an old post 31.15 chains [2,055.9 feet] North 38 degrees 45 minutes West of and 21.03 chains [1,287.98 feet] North 51 degrees 42 minutes East of the South corner of said Location #117, thence North 38 degrees 45 minutes West 29.40 chains [1,940.4 feet] to an iron fence post; thence South 41 degrees 10 minutes East 29.42 chains [1,941.72 feet] to one original East corner of the Agnes P. Tryon land; thence South 51 degrees 42 minutes West 1.24 chains [81.84 feet] to the beginning, containing 1.82 acres.

[Containing 198.13 acres in Location #117, Township 5 North, Range 8 West and containing 2.485 acres, more or less, in the Pooled Unit.]

(Tax ID #021-003-L117-000-002)

EXHIBIT A-2
Legal Description of Leased Parcels

If instruments of record specify the amount of acreage contained in a parcel, the documented amount remains as a part of the following descriptions. If instruments of record do not specify the amount of acreage contained in a parcel, causing the Petitioner to calculate the same, the calculated amount is placed in brackets after the description.

The notations in brackets that identify the parcel described or the parcel being excepted from the description do not appear in the instruments of record.

TRACT 1-A/TRACT 1-B

Part of the Northwest Quarter of Fractional Section 20, Township 5 North, Range 8 West, described as follows:

Beginning at the Northwest corner of Fractional Section 20, commencing South 00 degrees East, 1,678.39 feet to a point in the center of county drainage ditch; thence commencing along the center of said ditch as follows: North 89 degrees 11 minutes 58 seconds East, 821.23 feet; thence South 77 degrees 50 minutes 56 seconds East, 184.28 feet; thence North 89 degrees 36 minutes 52 seconds East, 366.56 feet; thence North 81 degrees 04 minutes 58 seconds East, 260.67 feet; thence North 80 degrees 52 minutes 54 seconds East, 356.92 feet; thence North 77 degrees 46 minutes 50 seconds East, 228.05 feet; thence North 83 degrees 06 minutes 54 seconds East, 168.45 feet; thence North 68 degrees 28 minutes 17 seconds East, 285.99 feet; thence North 00 degrees East, 130.00 feet to a 5/8" inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West, 1,317.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 00 degrees East, 1,320.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West to a PK nail found and being the true point of beginning. **Containing 59.742 acres**, more or less.

(Tax ID #021-003-0020-600-003) (Tract 1-A)

(Tax ID #021-003-0020-600-004) (Tract 1-B)

TRACT 2

Lot #3 and Lot #4, or the West Half of the Northwest Fractional Quarter of Section 20, Township 5 North, Range 8 West, containing 98.20 acres.

EXCEPTING THEREFROM: Part of the Northwest Quarter of Fractional Section 20, Township 5 North, Range 8 West, described as follows:

Beginning at the Northwest corner of Fractional Section 20, commencing South 00 degrees East, 1,678.39 feet to a point in the center of county drainage ditch; thence commencing along the center of said ditch as follows: North 89 degrees 11 minutes 58 seconds East, 821.23 feet; thence South 77 degrees 50 minutes 56 seconds East, 184.28 feet; thence North 89 degrees 36 minutes 52 seconds East, 366.56 feet; thence North 81 degrees 04 minutes 58

seconds East, 260.67 feet; thence North 80 degrees 52 minutes 54 seconds East, 356.92 feet; thence North 77 degrees 46 minutes 50 seconds East, 228.05 feet; thence North 83 degrees 06 minutes 54 seconds East, 168.45 feet; thence North 68 degrees 28 minutes 17 seconds East, 285.99 feet; thence North 00 degrees East, 130.00 feet to a 5/8" inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West, 1,317.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 00 degrees East, 1,320.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West to a PK nail found and being the true point of beginning. Containing 59.742 acres, more or less. **[Said exception describes Tract 1-A and Tract 1-B; however, only Tract 1-A is located within the boundaries of the initial parcel described. Thus, 51.242 acres are excepted]**

ALSO EXCEPTING THEREFROM: Part of Fractional Section 20, Township 5 North, Range 8 West, described as follows:

Beginning at a PK nail at the Northwest corner of said Section; thence South 00 degrees 00 minutes 00 seconds West, 1,997.10 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway" and being the true point of beginning of this tract; thence South 00 degrees 00 minutes 00 seconds West, 189.47 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence South 81 degrees 37 minutes 10 seconds East, 421.32 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 08 degrees 04 minutes 54 seconds East, 187.45 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 81 degrees 37 minutes 10 seconds West, 447.95 feet to the true point of beginning, containing 1.87 acres, more or less. **[Said exception being Tract 3]**

[Containing after said exceptions, 45.09 acres, more or less]

(Tax ID #021-003-0020-600-002)

TRACT 3

Part of Fractional Section 20, Township 5 North, Range 8 West, described as follows:

Beginning at a PK nail at the Northwest corner of said Section; thence South 00 degrees 00 minutes 00 seconds West, 1,997.10 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway" and being the true point of beginning of this tract; thence South 00 degrees 00 minutes 00 seconds West, 189.47 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence South 81 degrees 37 minutes 10 seconds East, 421.32 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 08 degrees 04 minutes 54 seconds East, 187.45 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 81 degrees 37 minutes 10 seconds West, 447.95 feet to the true point of beginning, **containing 1.87 acres**, more or less.

(Tax ID #021-003-0020-600-001)

TRACT 4

Part of Location #123, Township 5 North, Range 8 West, described as follows:

Beginning at a stone on the Northwest line of Location #123, distance 12.75 chains [841.5 feet] South $51\frac{1}{4}$ degrees West from the North corner thereof, running thence South $51\frac{1}{4}$ degrees West 29.75 chains [1,963.5 feet] to a stone; thence South $38\frac{3}{4}$ degrees East 3.08 chains [203.28 feet] to a stake; thence North $51\frac{1}{4}$ degrees East 29.75 chains [1,963.5 feet] to a stake; thence North $38\frac{3}{4}$ degrees West 3.08 chains [203.28 feet] to the place of beginning, containing 9.16 acres.

(Tax ID #021-003-L123-000-001)

[Containing 8.31 acres, more or less, in the Pooled Unit]

TRACT 5

Part of Location #117, Township 5 North, Range 8 West, described as follows:

Beginning at the North corner of said Location #117; running thence South $38\frac{3}{4}$ degrees East 32.10 chains [2,118.6 feet]; thence South $51\frac{1}{4}$ degrees West 21.75 chains [1,435.5 feet]; thence North $38\frac{3}{4}$ degrees West 32.24 chains [2,127.84 feet] to the Northwest line of said Location #117; thence North $51\frac{1}{4}$ degrees East 21.89 chains [1,444.74 feet] to the place of beginning, containing 70 acres, more or less.

(Tax ID #021-003-L117-000-005)

[Containing 17.98 acres, more or less, in the Pooled Unit]

TRACT 6

Part of Location #117, Township 5 North, Range 8 West, described as follows:

Beginning at the East corner of said Location #117; thence North $38\frac{3}{4}$ degrees West along the Northeast line of said Location, 23.00 chains [1,518 feet] to a stake; thence South $51\frac{1}{4}$ degrees West 21.75 chains [1,435.5 feet] to a stake; thence South $38\frac{3}{4}$ degrees East 23.00 chains [1,518 feet] to a stake on the Southeast line of Location #117; thence North $51\frac{1}{4}$ degrees East 21.75 chains [1,435.5 feet] to the place of beginning, containing 50 acres.

(Tax ID #021-003-L117-000-006)

[Containing 46.2356 acres, more or less, in the Pooled Unit]

NOTE: A 50% interest in Tract 7 is leased to Atlas Energy Indiana, LLC.

TRACT 7

Part of Location #117 and part of Section 19, in Township 5 North, Range 8 West, and part of Lot #4 in Section 24, Township 5 North, Range 9 West, described as follows:

Beginning 9 chains [594 feet] North $51\frac{1}{4}$ degrees East from the South corner of said Location; thence North $51\frac{1}{4}$ degrees East 42.50 chains [2,805 feet]; thence North $38\frac{3}{4}$ degrees West 55.18 chains [3,641.88 feet] to the Northwest line of said Location; thence South $51\frac{1}{4}$ degrees West 21.47 chains [1,417.02 feet] to the East line of Lot #3 of the said Section 19; thence North 34.90 chains [2,303.4 feet] to a stone, the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 19; thence West 21.40 chains [1,412.4 feet]; thence South 20.13 chains [1,328.58 feet]; thence West 21.05 chains [1,389.3 feet] to an iron pin on the East line of said Lot #4; thence North 13.54 chains [893.64 feet]; thence West 10.14 chains [669.24 feet]; thence South 13.93 chains [919.38 feet]; thence South $88\frac{1}{2}$ degrees East 10.14 chains [669.24 feet] to an iron pin; thence South $88\frac{3}{4}$ degrees East 19.26 chains [1,271.16 feet] to a post; thence South 67 degrees 29 minutes East 8.15 chains [537.9 feet] to a post; thence South 46 degrees and 16 minutes West 4.88 chains [322.08 feet]; thence South 43 degrees East 11.81 chains [779.46 feet], to a post; thence North $46\frac{3}{4}$ degrees East 93 links [61.38 feet] to an iron pin; thence South 41 degrees 10 minutes East 29.41 chains [1,941.06 feet] to a post; thence South 51 degrees 42 minutes West 17.30 chains [1,141.8 feet] to an iron pin; thence South 38 degrees 48 minutes East 7.49 chains [494.34 feet]; thence North 50 degrees 31 minutes East 5.51 chains [363.66 feet] to an iron pin; thence South 36 degrees 5 minutes East along branch 23.61 chains [1,558.26 feet] to the place of beginning. Containing 290.64 acres.

EXCEPTING THEREROM a tract of land sold to Edward Brocksmith by Deed dated August 21, 1915, and recorded in Deed Record 55, Page 197, in the Recorder's office of Knox County, Indiana, described as follows:

Part of the West One-Half Section 19, Township 5 North, Range 8 West, described as follows:

Beginning at a stone the center of the Northwest Quarter of said Section; thence East 21.40 chains [1,412.4 feet] to the East line of said West One-Half; thence South 20.16 chains [1,330.56 feet] to the center of ditch; thence down the said ditch South 89 degrees 26 minutes West 21.40 chains [1,412.4 feet]; thence North 20.36 chains [1,343.76 feet] to place of beginning, containing 43.50 acres.

ALSO EXCEPTING THEREFROM a tract of land sold to Edward Brocksmith by Deed dated December 24, 1919, and recorded in Deed Record 64, Page 1, in the Recorder's office of Knox County, Indiana, described as follows:

Part of Location #117 in Town 5 North, Range 8 West, described as follows:

Beginning at a stake on the Northwest line of said Location, 4-55/100 chains [300.3 feet] South 51 degrees 15 minutes West of where said line intersects the East line of Lot #2, Fractional Section 19, said Town and Range; thence South 39 degrees East 2-54/100 chains [167.64 feet] to a stake; White Oak 12 I.D. South 88 degrees East 10 links [6.6 feet]; thence North 87 degrees 55 minutes West 3-88/100 chains [256.08 feet] to a stake on the Northwest line of said Location Mulberry 8 I.D. South 89 degrees West 26 links [17.16 feet]; thence with said Northwest line North 51 degrees 15 minutes East 2-97/100 chains [196.02 feet] to the beginning containing 37/100 of an acre.

ALSO EXCEPTING THEREFROM a tract of land conveyed to Rolla M. Tryon Jr., by a Deed dated July 12, 1958, and recorded on Deed Record 145, Page 315, on August 4, 1958, described as follows:

Part of Lot #3 and Lot #4 Fractional Section 19 in Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at a point 83 links [54.78 feet] South of and 19.26 chains [1,271.16 feet] South 88 degrees 45 minutes East of the Northwest corner of said Lot #4 (same being the Quarter corner on the West line of said Section 19); thence South 88 degrees 45 minutes East 7.54 chains [497.64 feet]; thence South 0 degrees 19 minutes West 2.97 chains [196.02 feet] to a 3/8 inch by 1 inch iron bar, an old corner; thence North 67 degrees 24 minutes West 8.15 chains [537.9 feet] to the beginning, containing 1.12 acres.

ALSO EXCEPTING THEREFROM a tract of land also conveyed to Rolla M. Tryon, Jr. in the same Deed as described above, described as follows:

Part of Lot #3 of Fractional Section 19, Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at a 3/8 inch by 1 inch iron bar, an old corner, in said Lot #4 which is 4.43 chains [292.38 feet] South of and 5.75 chains [379.5 feet] South 88 degrees 45 minutes East of the Northwest corner of said Lot #3; thence South 0 degrees 19 minutes West 7.74 chains [510.84 feet] to an iron fence post; thence North 38 degrees 45 minutes West 5.19 chains [342.54 feet] to an old corner in field; thence North 41 degrees 29 minutes East 4.95 chains [326.7 feet] to the beginning, containing 1.26 acres.

ALSO EXCEPTING THEREFROM part of Lot #4 in Section 24, Township 5 North, Range 9 West, described as follows:

Beginning at the Northeast corner of said Lot #4; thence South, along the East line of said Lot #4, 14.20 chains [937.2 feet]; thence North 88½ degrees West 10.14 chains [669.24 feet]; thence North 13.93 chains [919.38 feet]; thence East 10.14 chains [669.24 feet] to the place of beginning, containing 14.26 acres.

AND ALSO INCLUDING part of Lot #2, Fractional Section 19, Town 5 North, Range 8 West, described as follows:

Beginning at a stake the Southwest corner of said Lot; thence with the West line of said Lot North 2-81/100 chains [185.46 feet] to a stake; thence South 75 degrees 50 minutes East 2-73/100 chains [180.18 feet] to a stake on the Northwest line of Location #117, said Town and Range Water Oak 36 feet South 51 degrees West 16 links [10.56 feet]; thence with said line South 51 degrees 15 minutes West 3.40 chains [224.4 feet] to the beginning, containing 37/100 of an acre.

AND ALSO INCLUDING part of the West Half of the East Half of Fractional Section 19 and part of Location #117, all in Township 5 North, Range 8 West, described as follows:

Beginning 0.95 chains [62.7 feet] North of the center of said Section 19; thence North 89 degrees 25 minutes East 18.70 chains [1,234.2 feet] to a 30 inch Oak; thence South 1-1/2 degrees West 2.75 chains [181.5 feet] to a 30 inch B. Oak; thence South 80 degrees West 3.80 chains [250.8 feet] to a stake on the Location line; thence South 51¼ degrees West on Location line 15.41 chains [1,017.06 feet]; thence North 68 degrees West 2.74 chains [180.84 feet] to a post; thence North 12.71 chains [838.86 feet] to the beginning, containing 14.42 acres.

AND ALSO INCLUDING a tract of land conveyed to the Trustee by Warranty Deed of Rolla M. Tryon Jr., dated July 12, 1958, and recorded in Deed Record 145, Page 314, on August 4, 1958, described as follows:

Part of Location #117 and part of Lot #3 Fractional, Section 19 in Town 5 North, Range 8 West, of the Second Principal Meridian, described as follows:

Beginning at an old post 31.15 chains [2,055.9 feet] North 38 degrees 45 minutes West of and 21.03 chains [1,287.98 feet] North 51 degrees 42 minutes East of the South corner of said Location #117, thence North 38 degrees 45 minutes West 29.40 chains [1,940.4 feet] to an iron fence post; thence South 41 degrees 10 minutes East 29.42 chains [1,941.72 feet] to one original East corner of the Agnes P. Tryon land; thence South 51 degrees 42 minutes West 1.24 chains [81.84 feet] to the beginning, containing 1.82 acres.

(Tax ID #021-003-L117-000-002)

[Containing 198.13 acres in Location #117, Township 5 North, Range 8 West and containing 2.485 acres in the Pooled Unit]

TRACT 8

Part of Location #123, Township 5 North, Range 8 West, described as follows:

Beginning at a point on the line between Location #123 and Location #117, 5.56 chains [366.96 feet] North 51¼ degrees East of the North corner of Location #112; thence with said line between Location #117 and Location #123 North 51¼ degrees East 23.44 chains [1,547.04 feet]

to a corner; thence South $38\frac{3}{4}$ degrees East 8.45 chains [557.7 feet] to a post; thence South $51\frac{1}{4}$ degrees West 23.44 chains [1,547.04 feet]; thence North $38\frac{3}{4}$ degrees West 8.45 chains [557.7 feet] to the place of beginning, containing 19.80 acres.

(Tax ID #021-003-L123-000-005)

[Containing 8.0218 acres in the Pooled Unit]

TRACT 9

All of the Northeast Quarter of the Northwest Quarter and part of the Northwest Quarter of the Northeast Quarter of Section 20, Township 5 North, Range 8 West, and part of the Southwest Quarter of the Southeast Quarter and part of the Southeast Quarter of the Southwest Quarter of Section 17, Township 5 North, Range 8 West, taken together and described as follows:

Beginning at the Southwest corner of the Northeast Quarter of the Northwest Quarter of said Section 20; thence East 26.54 chains [1,751.64 feet]; thence North 30.15 chains [1,989.9 feet] to the center of the road; thence West along the center of said road 26.54 chains [1,751.64 feet] to the West line of the Southeast Quarter of the Southwest Quarter of said Section 17; thence South 30.15 chains [1,989.9 feet] to the place of beginning, containing 80 acres.

EXCEPTING THEREFROM, part of the Southeast Quarter of Section 17, Township 5 North, Range 8 West; described as follows: Beginning at a point in the center of Lower Freelandville Road which point is 2,846.27 feet North 89 degrees 39 minutes 32 seconds East (basis of bearings) of and 677.33 feet North of the Southwest corner of said Section 17 (witness a 5/8 inch iron pin with a cap inscribed "G.S. Ridgway" set in a fence line 20.41 feet North 00 degrees 00 minutes 30 seconds East); thence North 00 degrees 00 minutes 30 seconds East, 2,004.53 feet to a point in a fence line (witness a wood post 1.67 feet, North 89 degrees 59 minutes 40 seconds East); thence North 89 degrees 59 minutes 40 seconds East, 217.54 feet along a fence line to a 6 inch steel beam set in concrete; thence South 00 degrees 00 minutes 30 seconds West, 2,002.35 feet to the center of Lower Freelandville Road (witness a concrete corner post 20.41 feet North 00 degrees 00 minutes 30 seconds East); thence South 89 degrees 25 minutes 12 seconds West, 217.54 feet along the center of said road to the point of beginning and containing 10 acres, more or less.

[Containing in all, after said exception, 70 acres, more or less, and containing 30.34 acres in the Pooled Unit]

TRACT 10-A/TRACT 10-B

Lot #5 or the Southeast Quarter of the Northwest Quarter of Section 20, Township 5 North, Range 8 West, containing 40 acres, more or less.

Also, Lot #7 or the East Fractional Half of the Southwest Fractional Quarter of Section 20, Township 5 North, Range 8 West, containing 17.41 acres, more or less.

EXCEPTING THEREFROM: 8.50 acres of the following described parcel that is located in the East Half of the Northwest Quarter of Section 20, Township 5 North, Range 8 West: Part of the Northwest Quarter of Fractional Section 20, Township 5 North, Range 8 West, described as follows:

Beginning at the Northwest corner of Fractional Section 20, commencing South 00 degrees East, 1,678.39 feet to a point in the center of county drainage ditch; thence commencing along the center of said ditch as follows: North 89 degrees 11 minutes 58 seconds East, 821.23 feet; thence South 77 degrees 50 minutes 56 seconds East, 184.28 feet; thence North 89 degrees 36 minutes 52 seconds East, 366.56 feet; thence North 81 degrees 04 minutes 58 seconds East, 260.67 feet; thence North 80 degrees 52 minutes 54 seconds East, 356.92 feet; thence North 77 degrees 46 minutes 50 seconds East, 228.05 feet; thence North 83 degrees 06 minutes 54 seconds East, 168.45 feet; thence North 68 degrees 28 minutes 17 seconds East, 285.99 feet; thence North 00 degrees East, 130.00 feet to a 5/8" inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West, 1,317.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence North 00 degrees East, 1,320.00 feet to a 5/8 inch iron pin set with plastic cap "G.S. Ridgway"; thence South 89 degrees 37 minutes 38 seconds West to a PK nail found and being the true point of beginning. Containing 59.742 acres, more or less.

[Containing after said exception 48.91 acres, more or less]

TRACT 11

Part of Location 123, Township 5 North, Range 8 West, described as follows:

Beginning at a stake 12.75 chains [841.5 feet] South 51¼ degrees West from the Northeast line and 3.08 chains [203.38 feet] South 38¾ degrees East from the Northwest line of said Location; thence South 51¼ degrees West 29.75 chains [1,963.5 feet] to a stone; thence South 38¾ degrees East 20.45 chains [1,349.7 feet]; thence North 51¼ degrees East 29.75 chains [1,963.5 feet]; thence North 38¾ degrees West 20.45 chains [1,349.7 feet] to the beginning, **containing 60.84 acres.**

(Tax ID #021-003-L123-000-003)

[Containing 36.96 acres in the Pooled Unit]

TRACT 12

Part of Location 123, Township 5 North, Range 8 West, described as follows:

Beginning at the center of an "I" beam Bridge on the Northeast line of said Location 123, 21.16 chains North 38 degrees 45 minutes West of the East Corner of said Location 123; thence with the center line of the Freelandville and Bruceville Road South 51 degrees 05 minutes West 36.18 chains to the intersection of the center line of two roads; thence North 37 degrees 30 minutes West along the road 17.94 chains to stake; thence North 52 degrees 00 minutes East 35.80 chains

to a stone on the Northeast line of said Location; thence South 38 degrees 45 minutes East 17.35 chains to the beginning, containing 63.50 acres.

EXCEPTING THEREFROM: Part of Location 123, Township 5 North, Range 8 West, described as follows: Beginning at a railroad spike in the center of County Highway, 1,397 feet North 38 degrees 45 minutes West of and 774.3 feet South 51 degrees 05 minutes that of the East corner of said Location 123; thence South 51 degrees 05 minutes West along the center of said Highway 337.7 feet to a railroad spike; thence North 38 degrees 55 minutes West, 195.0 feet to a 2-inch iron pipe; thence North 51 degrees 05 minutes East, 337.7 feet to a post set in concrete; thence South 38 degrees 55 minutes East, 195.0 feet to the place of beginning, containing 1.51 acres, more or less.

[Containing after exception 61.99 acres, more or less, and containing 0.82 acres in the Pooled Unit]

(Tax ID #021-003-L123-000-007)

TRACT 13

Part of Locations 112 and 123, Township 5 North, Range 8 West, and Part of Section 29, Township 5 North, Range 10 West, described as follows:

Beginning 30.84 chains [2,035.44 feet] South 38 $\frac{3}{4}$ degrees East of and 29.92 chains [1,974.72 feet] North 51 $\frac{1}{4}$ degrees East of the West corner of said Location 112 (said beginning being also in the intersection of the center line of Two County Highway at the North corner of a 77. acre tract land, owned by Walter C. Kixmiller as described in Deed Record 147, Page 408 in the Office of the Recorder of Knox County). Thence North 52 degrees 55 minutes East along the center of a County Highway 10.08 chains [665.28 feet]; thence South 38 degrees 25 minutes East along said Highway 6.44 chains [425.04 feet]; thence North 51 degrees 40 minutes East along said highway 28.56 chains [1,884.96 feet]; thence South 35 degrees 23 minutes East, 14.35 chains [947.1 feet] to the North corner of a 5. acre tract owned by Paul Dick; thence South 51 degrees 35 minutes West along the Northwest line of said Dick's 5. acre tract 1.60 chains [105.6 feet]; thence South 03 degrees 28 minutes East along the West line of said Dick's 5 acre tract 13.17 chains [869.22 feet] to the Southwest corner of said Dick's 5 acre tract; thence South 00 degrees 45 minutes West 8.79 chains [580.14 feet]; thence South 88 degrees 35 minutes West 5.34 chains [352.44 feet]; thence South 52 degrees 40 minutes West 20.71 chains [1,366.86 feet] to the center of a County Highway; thence North 38 degrees 25 minutes West along the center of said Highway 7.73 chains [510.18 feet]; thence continuing along the center of said highway North 19 degrees 25 minutes West 3.26 chains [215.16 feet]; thence continuing along the center of said highway North 36 degrees 23 minutes West 24.22 chains [1,598.52 feet] to the place of beginning, **containing 109.86 acres, more or less.**

[Containing 2.715 acres in the Pooled Unit]

Exhibit B
West Half of Section 20, Township 5 North, Range 8 West

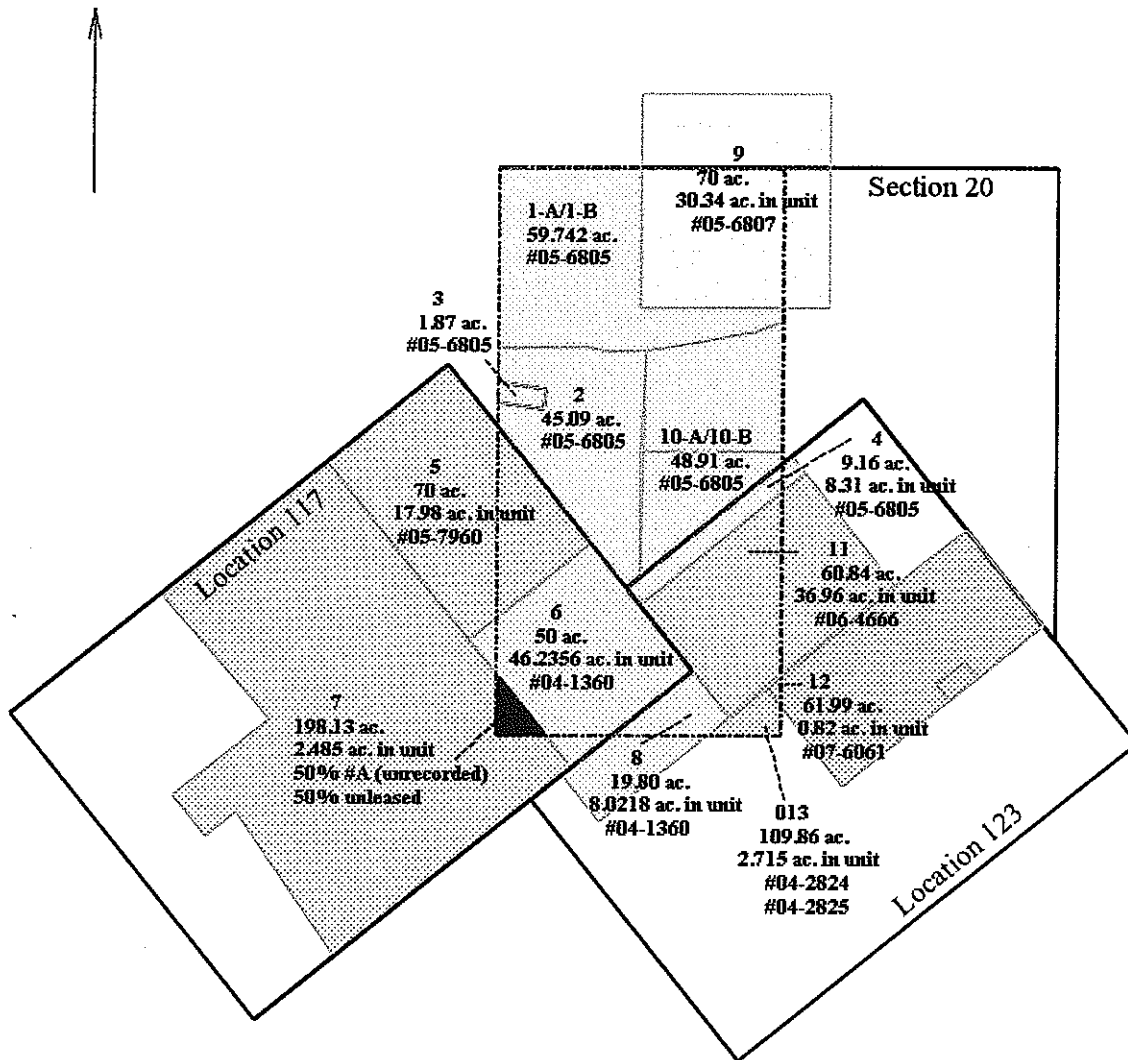


EXHIBIT "C"
Sample Oil and Gas Lease Utilized in Vicinity

PLAN Form IND (Paid-up)

OIL AND GAS LEASE
(PAID UP)

THIS AGREEMENT made and entered into this _____ day of _____, _____, by and between _____, hereinafter called LESSOR (whether one or more), and _____, hereinafter called LESSEE, WITNESSETH:

1. (Granting and Legal Description) LESSOR, for and in consideration of TEN DOLLARS AND OTHER CONSIDERATION, the receipt of which is hereby acknowledged, and the covenants and agreements of the LESSEE hereinafter contained, does hereby grant, lease and let unto LESSEE the land described below, including all interests therein LESSOR may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in exploring for, drilling for, producing, treating, storing, caring for, transporting and removing production from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, establish and utilize facilities for disposition of water, brine or other fluids, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said land is in the County of _____, State of Indiana, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

containing _____ acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above, that are owned or claimed by LESSOR, or to which LESSOR has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir. The term "gas" when used in this lease shall mean a mixture of hydrocarbons and of non hydrocarbons in a gaseous state which may or may not be associated with oil, coal or shale, and including coal bed methane and shale gas and those liquids resulting from condensation of gas after it leaves the underground reservoir.

2. (Term and Operations) It is agreed that this lease shall remain in force for the primary term of Five (5) years from this date, and as long thereafter as operations are conducted upon said land with no cessation for more than 90 consecutive days, provided, however, that in no event shall this lease terminate if production of oil and/or gas from a well located on said land, or on lands pooled therewith, has not permanently ceased. If operations commenced during the primary term are discontinued less than 90 days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within 90 days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, drilling, coring, testing, completing, equipping, reworking, recompleting, deepening, plugging back, de-watering, water disposal, or repairing of a well in search of or in an endeavor to obtain production of oil and/or gas, and production of oil and/or gas whether or not in paying quantities.

3. (Royalty) LESSEE covenants and agrees to pay the following royalties: (a) To deliver to the credit of the LESSOR into tank reservoirs or into the pipeline to which LESSEE may connect its well, one-eighth of the oil produced and saved from said land, LESSOR's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of the LESSEE, LESSEE may sell the oil produced and saved from said land and pay LESSOR one-eighth of the net amount realized by LESSEE, computed at the wellhead, whether the point of sale is on or off said land, (b) To pay LESSOR on gas produced from said land (1) when sold by LESSEE, whether the point of sale is on or off said land, one-eighth of the net amount realized by LESSEE, computed at the wellhead, or (2) when used by LESSEE, for purposes other than those specified in Paragraph numbered 7 of this lease, the market value, at the wellhead, of one-eighth of said gas. Prior to payment of royalty, LESSOR shall execute a Division Order setting forth his interest in production. LESSEE may pay all taxes and privilege fees levied upon the oil and gas produced, and deduct a proportionate share of the amount so paid from any monies payable to LESSOR hereunder.

4. (Shut in) If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land, or on lands pooled or communitized with all or part of said land, is at any time shut-in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut-in, whether before or after expiration of the primary term. LESSEE shall use reasonable diligence to market oil and/or gas capable of being produced from such shut-in well, but shall be under no obligation to reinject or recycle gas, or to market such oil and/or gas under terms, conditions, or circumstances which in LESSEE's judgment are uneconomic or otherwise unsatisfactory. If all wells on said land, or on lands pooled or communitized with all or part of said land are shut-in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut-in, LESSEE shall be obligated to pay or tender, as royalty, to LESSOR, (at LESSOR's address), or it's successors, as LESSOR's agent, which shall remain as the depository regardless of change in ownership of royalties, shut-in royalties or other money, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided however, that if production from a well or wells is sold or used off the premises before the end of any such period or, if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in wells, LESSEE shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check at the option of LESSEE, and the depositing of such payment in any post office, with sufficient postage and properly addressed to LESSOR, or said bank, within 60 days after expiration of the annual period shall be deemed sufficient payment as herein provided.

5. (Express or Implied Obligations) In the event LESSOR considers that LESSEE has not complied with its obligations hereunder, both express and implied, LESSOR shall give written notice to LESSEE, setting out specifically in what respects LESSEE has breached this contract. LESSEE shall have 60 days from receipt of such notice to commence and thereafter pursue with reasonable diligence such action as may be necessary or proper to satisfy such obligation of LESSEE, if any, with respect to LESSOR's notice. Neither the service of said notice nor the doing of any acts by LESSEE intended to satisfy any of the alleged obligations shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder. No judicial action may be commenced by LESSOR for forfeiture of this lease or for damages until after said 60 day period. LESSEE shall be given a reasonable opportunity after judicial ascertainment to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall nevertheless, remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by LESSEE in such shape as then existing spacing rules permit; and (b) any part of said land included in a pooled unit on which there are operations. LESSEE shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. (Actual Interest) If this lease covers less than the entire undivided interest in the oil and gas in said land (whether LESSOR's interest is herein specified or not), then the royalties and extension payment as provided in this lease shall be paid to LESSOR only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. (Lessee's rights) LESSEE shall have the right to use, free of cost, gas, oil and water produced on said land for LESSEE's operations hereunder, except water from the wells of LESSOR. When requested by LESSOR, LESSEE shall bury LESSEE's pipelines below plow depth. No well shall be drilled nearer than 200 feet from the house or barn now on said land without written consent of LESSOR. LESSEE shall pay for damages caused by LESSEE's operations to growing crops on said land. LESSEE shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other downhole equipment and fixtures.

8. (Pooling Clause: General) LESSEE is hereby granted the right to pool or unitize said land, or any part of said land, with other lands, as to any or all minerals or horizons, to establish units containing not more than approximately 320 acres; provided, however, such units may be established so as to contain not more than approximately 640 acres as to any or all of the following: (a) gas, (b) oil produced from formations below the base of the Black River Lime and (c) oil produced from wells classified as gas wells by the regulatory agency having jurisdiction. If larger units than those permitted above, either at the time established or thereafter, are required or permitted under any governmental rule or order for the drilling or operation of a well at a regular location or obtaining the maximum allowable from any well or for any other reason, then the maximum unit size authorized hereby shall conform to the size required or permitted by such governmental rule or order. LESSEE may enlarge the unit to the maximum area permitted herein and reform said unit to include after-acquired leases within the unit area. LESSEE may create, enlarge or reform the unit or units as above provided at any time, and from time to time, during the continuance of this lease, either before or after production is obtained. A unit established hereunder shall be effective for all purposes of this lease, whether or not all interests in the lands in the unit are effectively pooled or unitized. In no event shall LESSEE be required to drill more than one well in each unit. LESSEE may reduce or terminate such unit or units at any time prior to the discovery of oil or gas on the pooled acreage, or at any time after discovery subsequent to the cessation of production. LESSEE may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which such unit is located. Any operations conducted

on any part of the lands pooled shall be deemed to be on the lands leased herein within the meaning of all provisions of this lease. Production of oil and/or gas from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit.

9. (Pooling Clause for Shallow Formations) In addition to the right to pool granted to the LESSEE In Paragraph numbered 8 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, LESSEE is granted the right to pool or unitize the shallow formations in said land, or any part of said land with other lands, to establish units containing no more than approximately 2,560 acres. The exercise of the right shall be effective only if LESSEE drills or has drilled, no later than two (2) years after recording a declaration of the unit, at least one well completed in a shallow formation for each 320 acres in the unit. "Shallow formations" are defined as geologic formations between the surface of the earth and the base of the Silurian Formation. The unit shall consist of any combination of governmental quarter-quarter sections, each of which must share at least one common side with another. All provisions of Paragraph numbered 8, including those regarding LESSEE's identification of a unit, the effect of operations conducted thereon and the allocation of production from wells thereon, shall apply in the same manner to a unit formed pursuant to this paragraph for production from shallow formations, except to the extent inconsistent with this paragraph. LESSEE may expand the unit to include additional lands until a maximum of 2,560 acres is included in the unit, provided that the required wells density (one well for every 320 acres) is maintained, or is attained by the drilling of an additional well or wells within one (1) year after each such expansion.

10. (Future regulations State or Federal) All present and future rules, regulations and orders of any governmental agency pertaining to well spacing, drilling, or productions units, use of materials and equipment, or otherwise, shall be binding on the parties hereto with like effect as though incorporated herein at length, provided, however, that no such rule, regulation or order shall (a) prevent LESSEE from pooling oil and/or gas development units as provided in Paragraphs numbered 8 and 9 hereof, larger than the well spacing, drilling or production units prescribed or permitted by such rule, regulation or order or (b) require a greater density for shallow formation wells then required by Paragraph numbered 9 above.

11. (Operations if land is subdivided) If, after the date hereof, the leased premises shall be conveyed in severalty or in separate tracts, the premises shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit designated by the state regulatory agency for such well and apportioned among said tracts on a surface acreage basis; provided, however, if a portion of the leased premises is pooled with other lands for the purpose of operating the pooled unit as one lease, this paragraph shall be inoperative as to the portion so pooled.

12. (Acts of God, etc.) If LESSEE is prevented from, or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within LESSEE's control, this lease shall not terminate and LESSEE shall not be liable in damages so long as said circumstances continue (the "period of suspension"). These circumstances include, but are not limited to the following: Conflict with federal, state or local laws, rules, regulations, and executive orders; acts of God; strikes; lockouts; riots; wars; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by LESSEE; equipment failures; inability to obtain materials in the open market or to transport said materials. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, this lease shall not terminate if LESSEE shall commence or resume operations within 90 days after the end of the period of suspension.

13. (Estate) If the estate of either party hereto is assigned, the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs, devisees, legal representatives, successors or assigns. Notwithstanding any other actual or constructive knowledge of the record owner of this lease, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on the then record owner of this lease until 45 days after the record owner has received, by certified mail, written notice of such change, and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of record owner to establish the validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof however accomplished, shall increase the obligations or diminish the rights of LESSEE, including, but not limited to, rights and obligations relating to the locating and drilling of wells and the measurement of production. Upon assignment by LESSEE, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part.

Notary in _____ County, Indiana

EXHIBIT "D"
DIVISION OF GAS INTEREST
The West Half of Section 20, Township 5 North, Range 8 West

Tract	Acres in Unit	Lease	INTEREST HOLDER	TYPE	PERCENTAGE	PAYOUT	ROYALTY
<i>Leased Acreage:</i>							
1-A/1-B	59.7420	05-6805	Atlas Energy Indiana, LLC, et al <i>Vendor</i> Billie Jean Brocksmith Sager <i>Vendee</i> Billy and Tamara Williams Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	2.41300
2	45.0900	05-6805	Atlas Energy Indiana, LLC, et al Marvin and Carolyn Williams Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	1.82120
3	1.8700	05-6805	Atlas Energy Indiana, LLC, et al Jerry and Cheryl Lane Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	0.07553
4	8.3100	05-6805	Atlas Energy Indiana, LLC, et al Marvin and Carolyn Williams Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	0.33564
5	17.9800	05-7960 05-7960	Atlas Energy Indiana, LLC, et al Kent Brocksmith William Brocksmith Total Interest	WI RI RI	87.50% 50% of 12.50% 50% of 12.50%	87.50000 6.25000 6.25000 100.00000	0.36311 0.36311
6	46.2356	04-1360	Atlas Energy Indiana, LLC, et al William and Jean Ann Schroeder Total Interest	WI RI	87.50% 12.50%	0.87500 12.50000 100.00000	1.86747
7	2.4850	A	Atlas Energy Indiana, LLC, et al Charles Tryon Total Interest	WI RI	87.50% 50% of 12.50%	87.50000 6.25000 93.75000	0.05019
8	8.0218	04-1360	Atlas Energy Indiana, LLC, et al William and Jean Ann Schroeder Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	0.32400

9	30.3400	05-6807	Atlas Energy Indiana, LLC, et al Billy and Tamara Williams Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	1.22545
10-A/10-B	48.9100	05-6805	Atlas Energy Indiana, LLC, et al Marvin and Carolyn Williams Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	1.97549
11	36.9600	06-4666	Atlas Energy Indiana, LLC, et al Robert Schaefer Phyllis Schaefer Susan Schaefer-Lopez Sheryl Schaefer-Jones Rebecca Schaefer Total Interest	WI RI RI RI RI RI	87.50% 27.50% of 12.50% 27.50% of 12.50% 15% of 12.50% 15% of 12.50% 15% of 12.50%	87.50000 3.43750 3.43750 1.87500 1.87500 1.87500 100.00000	0.41053 0.41053 0.22392 0.22392 0.22392
12	0.8200	07-6061	Atlas Energy Indiana, LLC, et al Mary E. Doane et al Total Interest	WI RI	87.50% 12.50%	87.50000 12.50000 100.00000	0.03312
13	2.7150	04-2824 04-2825	Atlas Energy Indiana, LLC, et al Harold Wagner Trust Irene Wagner Trust Total Interest	WI RI RI	87.50% 50% of 12.50% 50% of 12.50%	87.50000 6.25000 6.25000 100.00000	0.05483 0.05483
Unleased Acreage:							
7	2.4850		Edward Tryon		50% of 12.50%		0.05019
	2.4850		Total Unleased Acreage				
	309.4794		Total Acreage in Pooled Unit				
					Total Royalty Interest		12.50000

EXHIBIT "E"
Contact Report

1. Representatives of Atlas Energy Indiana, LLC (hereinafter "Atlas"), have contacted Edward Tryon (hereinafter "Non-Consenting Owner") on numerous occasions to offer the opportunity to execute an Oil and Gas Lease. The Non-Consenting Owner lives in Manhattan and has not responded to most communication attempts, including all recent communication attempts. Due to his lack of response, Atlas has been unable to ascertain the reason he objects to executing an Oil and Gas Lease.
2. On February 1, 2010, Atlas mailed an initial letter to the Non-Consenting Landowner regarding the proposed Oil and Gas Lease.
3. On March 1, 2010, Atlas left a phone message and mailed a second letter to the Non-Consenting Landowner.
4. On March 10, 2010, the Non-Consenting Landowner returned the call to Atlas and at that point had some interest in executing an Oil and Gas Lease.
5. On March 12, 2010, Atlas mailed a new Oil and Gas Lease to the Non-Consenting Landowner which offered a lease signing bonus of \$50.00 per acre and a mutual consent clause regarding well and structure locations.
6. On April 1, 2010, Atlas left a phone message for the Non-Consenting Landowner.
7. On April 8, 2010, Atlas left a phone message for the Non-Consenting Landowner.
8. On May 10, 2010, Atlas left a phone message for the Non-Consenting Landowner.
9. On June 1, 2010, Atlas left a phone message for the Non-Consenting Landowner.
10. On June 13, 2010, Atlas emailed the Non-Consenting Landowner. Read receipt was utilized, which confirmed that the Non-Consenting Landowner read said email on the same date.
11. On June 16, 2010, Atlas left a phone message for the Non-Consenting Landowner.
12. On June 23, 2010, Atlas left a phone message for the Non-Consenting Landowner.